

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE)
COMMISSION OF THE APPLICATION OF THE)
FUEL ADJUSTMENT CLAUSE OF TAYLOR) CASE NO. 96-547
COUNTY RURAL ELECTRIC COOPERATIVE)
CORPORATION FROM NOVEMBER 1, 1994)
TO OCTOBER 31, 1996)

O R D E R

Pursuant to Commission Regulation 807 KAR 5:056, the Commission on November 14, 1996 established this case to review and evaluate the operation of the fuel adjustment clause ("FAC") of Taylor County Rural Electric Cooperative Corporation ("Taylor County") for the two years ended October 31, 1996.

As part of this review, the Commission ordered Taylor County to submit certain information and an affidavit attesting to its compliance with Commission Regulation 807 KAR 5:056. Taylor County has complied with this Order. The Commission further ordered that a public hearing be held in this case but cancelled it when, after publication of notice, no interested party advised the Commission of its intention to attend.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. Taylor County has complied in all material respects with the provisions of Commission Regulation 807 KAR 5:056.

2. East Kentucky Power Cooperative, Inc. ("EKPC"), the wholesale supplier of Taylor County, has been authorized to transfer (roll-in) a 0.23 mills per Kwh decrease in its base fuel cost to its base rates.¹

3. Taylor County should be authorized to transfer (roll-in) a 0.25 mills per Kwh decrease in its base fuel costs to its base rates to reflect, as adjusted for line loss, the transfer of a 0.23 mills per Kwh decrease in EKPC's base rates. This transfer can best be accomplished by a negative energy adder to each Kwh sold.

4. The rates and charges in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable, and reflect the transfer of fuel costs from the FAC to the base rate.

IT IS THEREFORE ORDERED that:

1. The charges and credits applied by Taylor County through the FAC for the period November 1, 1994 to October 31, 1996 are approved.

2. Taylor County is authorized to transfer to base rates those fuel costs (as adjusted for line-loss) rolled-in by EKPC from its FAC to its base rates.


3. The rates in Appendix A are approved for service rendered by Taylor County on and after September 1, 1997.

4. Within 30 days of the date of this Order, Taylor County shall file with the Commission revised tariff sheets setting out the rates approved herein.

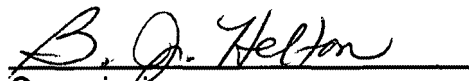
¹ Case No. 96-522, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from November 1, 1994 to October 31, 1996.

Done at Frankfort, Kentucky, this 20th day of August, 1997.


PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

